

# General meeting of Arco Vara AS

Dear shareholder of Arco Vara AS

Notice is hereby given that the annual general meeting of Arco Vara AS (registry number 10261718; registered office at Jõe 2B, Tallinn) will be held in the Tallinn meeting room of Hotel Euroopa, Paadi 5, Tallinn on 18 June 2013 at 11:00 am (EET).

The agenda of the annual general meeting:

Approval of the annual report for 2012

The supervisory board proposes to the shareholders:

- to approve the annual report for 2012;
- to transfer the net loss for the year ended on 31 December 2012 of 18,034,755 euros to retained earnings.

Issuance of convertible bonds

The supervisory board proposes to the shareholders:

- to increase the share capital of Arco Vara AS conditionally by issuing one convertible bond with the nominal value of 1,000 euros in accordance with the attached conditions of the convertible bond;
- the convertible bond will give its owner the right to subscribe up to 390,000 shares of Arco Vara AS for 0.7 euro per share starting from 1 January 2016 until 31 December 2016;
- in case of subscription the Management Board of Arco Vara may increase the share capital up to 273,000 euros, i.e by 390,000 shares. The maximum size of the new share capital may be 3,592,194.90 euros;
- the existing shareholders will give up the right of privileged subscription of the convertible bond as well as the right of privileged subscription of the shares issued after the exchange of the convertible bond.

(extract from the decision of 16 October 2012 of the Supervisory Board)

The new principles of rewarding the Supervisory Board of Arco Vara AS

The supervisory board proposes to the shareholders:

- to pay the members of the Supervisory Board 500 euros (net amount) for every participated meeting but not more than 1,000 euros (net amount) per month;
- to make the payment of the reward dependent on the signing of the minutes of the meetings of the Supervisory Board;
- not to compensate the travel and living expenses of the members of the Supervisory Board.

The materials of the annual general meeting will be available on the website of Arco Vara AS at <http://www.arcorealestate.com/en/investor-info/general> and in the registered office of Arco Vara AS at Jõe 2B, Tallinn on business days from 9 am to 5 pm.

Questions regarding the agenda items may be sent by email to [yldkoosolek@arcovara.ee](mailto:yldkoosolek@arcovara.ee). The questions together with the answers will be published on the website of Arco Vara AS. All shareholders have a lawful right to obtain information from the management board about the operation of the company. Shareholders whose shares represent at least one twentieth of the share capital of Arco Vara AS may request that additional items be added to the agenda provided they submit their request at least 15 days before the general meeting, i.e. by 3 June 2013 at the latest, and they may propose a resolution on any or all agenda items, provided they submit the proposal at least three days before the general meeting, i.e. by 15 June 2013 at the latest. Shareholder requests and proposals have to be submitted by email to [yldkoosolek@arcovara.ee](mailto:yldkoosolek@arcovara.ee) and they will be published in line with legal requirements.

The list of shareholders eligible to vote will be prepared seven days before the general meeting, i.e. on 11 June 2013 as at 23:59.

Registration of attendees begins on 18 June 2013 at 10:45 am. For registration, please bring an identity document. A proxy must have a written proxy document or other documents verifying the right to act as a proxy. A shareholder may notify Arco Vara AS before the meeting of the appointment of a proxy or the revocation of a proxy appointment by sending relevant digitally signed notice to [yldkoosolek@arcovara.ee](mailto:yldkoosolek@arcovara.ee) on 15 June 2013 at the latest.

The notice of the annual general meeting including the exact time, location and agenda will be published in Postimees on 25 May 2013.

Yours sincerely

Management Board of Arco Vara AS

03.06.2013: Supplement to agenda of annual general meeting of shareholders of Arco Vara AS

Dear shareholder of Arco Vara AS

The annual general meeting of Arco Vara AS (registry number 10261718; registered office at Jõe 2B, Tallinn) (hereinafter the "AGM") will be held in the Tallinn meeting room of Hotel Euroopa, Paadi 5, Tallinn on 18 June 2013 at 11.00 am.

The member of the Management Board of Arco Vara AS (hereinafter the "Manager") would like to include the following additional item on the agenda of the AGM based on § 293 (2) of the Commercial Code:

**Appointment of Auditor**

The Manager proposes the shareholders to appoint one auditor for one year (until the next ordinary shareholders general meeting) and appoint AS PricewaterhouseCoopers as such auditor.

Questions concerning the items on the agenda can be asked by an email to [yldkoosolek@arcovara.ee](mailto:yldkoosolek@arcovara.ee)

The questions and answers will be posted on the website of Arco Vara AS.

Yours sincerely

Management Board of Arco Vara AS

18.06.2013: Annual general meeting of shareholders Arco Vara did not have a quorum. New meeting will take place on 1 July 2013.

Annual general meeting of Arco Vara AS was supposed to take place 18 June 2013. 49,34% of votes were registered to the annual meeting but according to Commercial Code § 297 subsection 1 over 50% of the shares should have been registered. Therefore due to the absence of required quorum the general meeting was unable to adopt resolutions.

According to the Commercial Code § 297 subsection 2, the management of Arco Vara AS calls a new annual general meeting.

## NOTICE OF THE ANNUAL GENERAL MEETING, ITS AGENDA AND PROPOSED RESOLUTIONS

Dear shareholder of Arco Vara AS

Notice is hereby given that the annual general meeting of Arco Vara AS (registry number 10261718; registered office at Jõe 2B, Tallinn) will be held in the Lääne-Euroopa meeting room of Hotel Euroopa, Paadi 5, Tallinn on 1 July 2013 at 11:00 am (EET).

The agenda of the annual general meeting:

undefined undefined undefined undefined undefined undefined undefined undefined 1.  
Approval of the annual report for 2012

The supervisory board proposes to the shareholders:

undefined undefined undefined undefined undefined undefined undefined undefined · to  
approve the annual report for 2012;

undefined undefined undefined undefined undefined undefined undefined undefined · to  
transfer the net loss for the year ended on 31 December 2012 of 18,034,755 euros to retained  
earnings.

undefined undefined undefined undefined undefined undefined undefined undefined 2.  
Issuance of convertible bonds

The supervisory board proposes to the shareholders:

undefined undefined undefined undefined undefined undefined undefined undefined · to  
increase the share capital of Arco Vara AS conditionally by issuing one convertible bond with  
the nominal value of 1,000 euros in accordance with the attached conditions of the  
convertible bond;

undefined undefined undefined undefined undefined undefined undefined undefined · the  
convertible bond will give its owner the right to subscribe up to 390,000 shares of Arco Vara  
AS for 0.7 euro per share starting from 1 January 2016 until 31 December 2016;

undefined undefined undefined undefined undefined undefined undefined undefined · in case  
of subscription the Management Board of Arco Vara may increase the share capital up to  
273,000 euros, i.e by 390,000 shares. The maximum size of the new share capital may be  
3,592,194.90 euros;

undefined undefined undefined undefined undefined undefined undefined undefined · the existing shareholders will give up the right of privileged subscription of the convertible bond as well as the right of privileged subscription of the shares issued after the exchange of the convertible bond.

(extract from the decision of 16 October 2012 of the Supervisory Board)

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### 3. The new principles of rewarding the Supervisory Board of Arco Vara AS

The supervisory board proposes to the shareholders:

undefined undefined undefined undefined undefined undefined undefined undefined · to pay the members of the Supervisory Board 500 euros (net amount) for every participated meeting but not more that 1,000 euros (net amount) per month;

undefined undefined undefined undefined undefined undefined undefined undefined · to make the payment of the reward dependent on the signing of the minutes of the meetings of the Supervisory Board;

undefined undefined undefined undefined undefined undefined undefined undefined · not to compensate the travel and living expenses of the members of the Supervisory Board.

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### 4. Appointment of Auditor

The Manager proposes the shareholders to appoint one auditor for one year (until the next ordinary shareholders general meeting) and appoint AS PricewaterhouseCoopers as such auditor. To pay the auditor the fee for auditing the company's economic activities during marketing year 2013 according to the future agreement between the company and AS Pricewaterhouse Coopers.

The materials of the annual general meeting will be available on the website of Arco Vara AS at <http://www.arcorealestate.com/en/investor-info/general> and in the registered office of Arco Vara AS at Jõe 2B, Tallinn on business days from 9 am to 5 pm.

Questions regarding the agenda items may be sent by email to [yldkoosolek@arcovara.ee](mailto:yldkoosolek@arcovara.ee) . The questions together with the answers will be published on the website of Arco Vara AS.

All shareholders have a lawful right to obtain information from the management board about the operation of the company.

Registration of attendees begins on 1 July 2013 at 10:45 am. For registration, please bring an identity document. A proxy must have a written proxy document or other documents verifying the right to act as a proxy. A shareholder may notify Arco Vara AS before the meeting of the appointment of a proxy or the revocation of a proxy appointment by sending relevant digitally signed notice to yldkoosolek@arcovara.ee on 29 June 2013 at the latest.

Yours sincerely

Management Board of Arco Vara AS

01.07.2013: Decisions of annual general meeting of shareholders Arco Vara AS

The following decisions were passed at the annual general meeting of shareholders of Arco Vara AS on 1 July 2013:

- 1.To approve the year 2012 annual report of Arco Vara AS.
- 2.To cover the net loss for the year ended on 31 December, 2012 of 18,034,755 euros to retained earnings.
- 3.To increase the share capital of Arco Vara AS conditionally by issuing one convertible bond with the nominal value of 1,000 euros in accordance with the attached conditions of the convertible bond. The convertible bond will give its owner the right to subscribe up to 390,000 shares of Arco Vara AS for 0.7 euro per share starting from 1 January 2016 until 31 December 2016. In case of subscription the Management Board of Arco Vara may increase the share capital up to 273,000 euros, i.e by 390,000 shares. The maximum size of the new share capital may be 3,592,194.90 euros. The existing shareholders will give up the right of privileged subscription of the convertible bond as well as the right of privileged subscription of the shares issued after the exchange of the convertible bond.
- 4.To pay the members of the Supervisory Board 500 euros (net amount) for every participated meeting but not more that 1,000 euros (net amount) per month. To make the payment of the reward dependent on the signing of the minutes of the meetings of the Supervisory Board. Not to compensate the travel and living expenses of the members of the Supervisory Board.
- 5.To appoint an auditor for one year (until the next annual general meeting of shareholders) and appoint AS PricewaterhouseCoopers such auditor. To pay the auditor for auditing the

2013 annual report according to an agreement to be signed between Arco Vara AS and AS PricewaterhouseCoopers.